

San Francisco County Economic Forecast

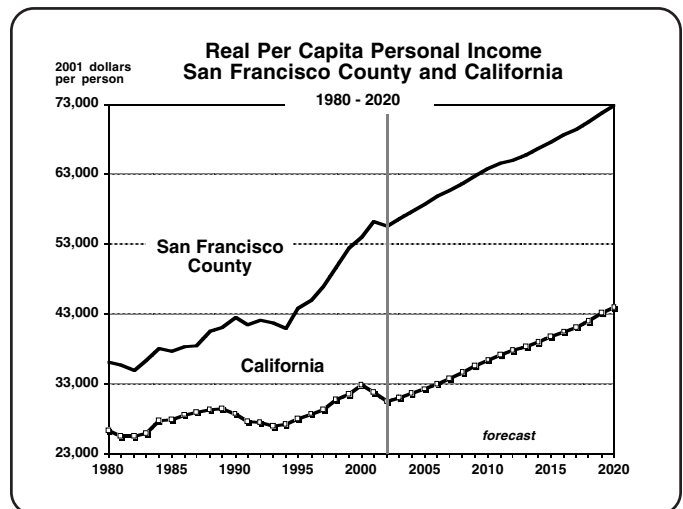
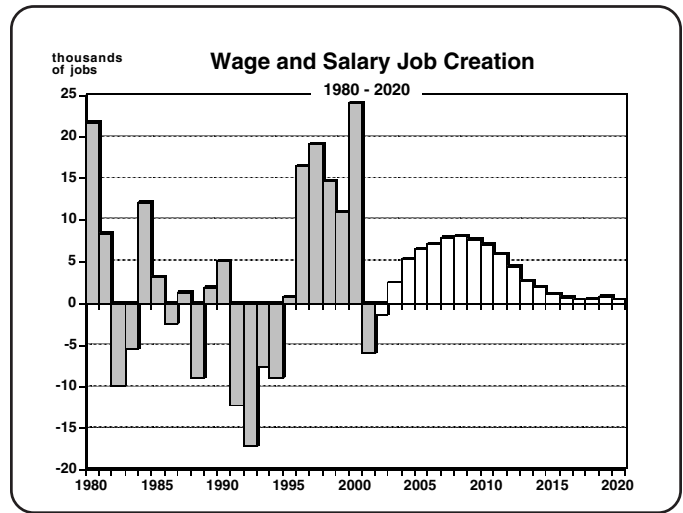
San Francisco County is the principal labor market center of the West Bay region. Total employment in 2001 averaged 593,000 jobs. Between 1995 and 2000, the County created 85,000 jobs, a 17 percent increase in total non-farm wage and salary employment.

The County weakened in 2001 in tandem with the rest of the Bay Area. A total of 6,000 jobs were lost in 2001, and the unemployment rate moved sharply higher. As of February 2002, the rate in the West Bay metropolitan statistical area was 6.6 percent, a material increase from the 3.5 percent rate recorded in February of 2001.

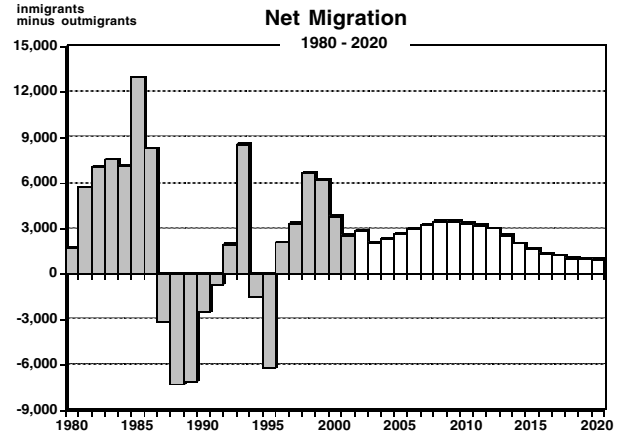
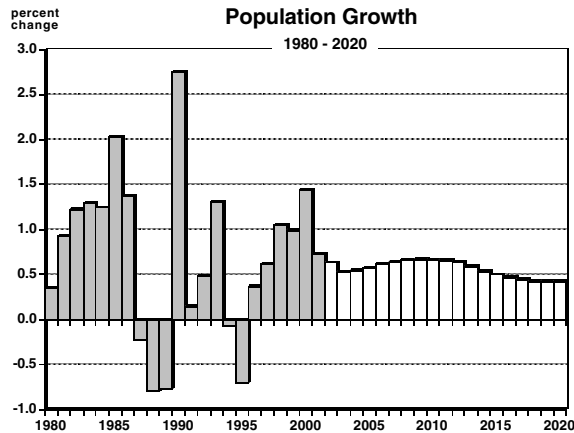
High vacancy rates for commercial space are indicative of the city center in early 2002. With business services employment falling nearly 5 percent in 2001, there is less demand for office space. Commercial rents have also fallen sharply. Housing prices remain high however, and are not likely to decline much this year or over the next several years. Housing availability remains scarce and few new units will be built in the County over the forecast horizon.

Forecast Highlights

- Job growth remains tenuous in 2002. Net job creation is slightly negative or insignificant. Employment growth turns positive in 2003, and gathers momentum thereafter.
- The unemployment rate averages 4.7 percent for the year, but declines in subsequent years. The rate is higher than neighboring counties of Marin and San Mateo.
- Employment growth in services averages 2.0 percent per year over the next 5 years, compared to 5.1 percent growth between 1995 and 2000. Business service job growth will rebound, as will professional services, personal services, and recreation.
- Population growth slows over the next 5 years. The lack of housing and the unaffordability of housing in the region pose an impediment to growth. Compound annual growth in the 2002 to 2007 period falls to 0.6 percent per year, from 0.9 percent between 1995 and 2000.



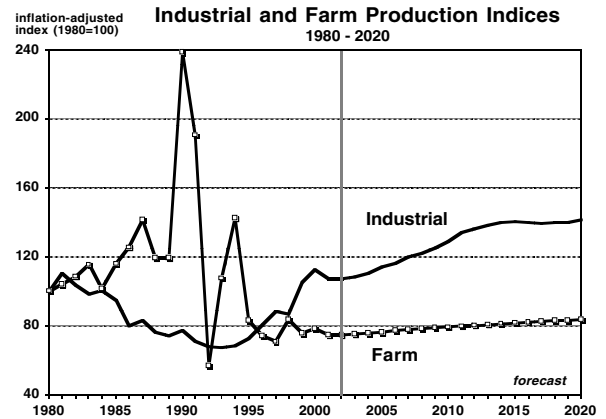
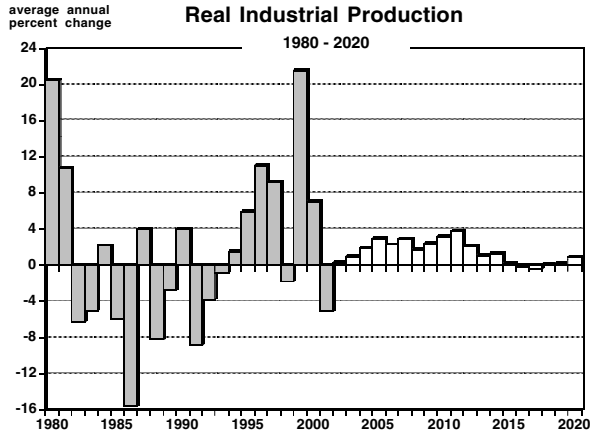
- Real per capita income growth was positive in 2001, rising an estimated 3 percent. Incomes remain relatively stable over the next 3 years. The annual compound rate of growth over the next 5 years is 1.8 percent. Real (inflation-adjusted) salaries in the County average \$65,230 in 2002. They are forecast to rise at an annual compound rate of 1.7 percent between 2002 and 2007.
- Over the forecast horizon, the median home price rises an average of 5.1 percent per year, adjusted for inflation. This is a sharp decline from the 10.5 percent average real appreciation per year between 1995 and 2000.



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1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	753,200	-6,178	428,500	309.6	515	\$6.7	\$28.7	\$43,712	\$2.0	\$10.8
1996	756,000	2,084	437,762	309.9	1,478	\$7.3	\$30.2	\$44,990	\$1.8	\$12.0
1997	760,700	3,353	418,510	309.7	1,721	\$7.4	\$32.2	\$46,875	\$1.7	\$13.1
1998	768,700	6,645	445,691	311.1	2,336	\$7.2	\$35.0	\$49,751	\$2.1	\$12.9
1999	776,300	6,226	453,905	312.7	3,811	\$7.9	\$38.1	\$52,384	\$1.9	\$15.7
2000	787,500	3,825	469,603	328.9	3,365	\$8.9	\$41.2	\$54,064	\$2.1	\$16.8
2001	793,217	2,549	473,858	333.1	2,119	\$8.9	\$44.6	\$56,200	\$2.0	\$15.9
2002	798,267	2,839	470,877	332.2	1,781	\$9.0	\$42.5	\$55,584	\$2.1	\$16.0
2003	802,535	2,079	471,146	332.6	1,635	\$9.3	\$44.5	\$56,483	\$2.1	\$16.1
2004	806,980	2,325	472,558	333.6	1,510	\$9.7	\$46.8	\$57,699	\$2.2	\$16.4
2005	811,654	2,630	472,299	334.9	1,466	\$10.1	\$49.1	\$58,690	\$2.3	\$16.9
2006	816,647	2,977	472,753	336.5	1,531	\$10.5	\$51.7	\$59,882	\$2.4	\$17.3
2007	821,891	3,255	473,495	338.1	1,526	\$10.9	\$54.0	\$60,782	\$2.4	\$17.8
2008	827,371	3,464	474,335	339.8	1,509	\$11.3	\$56.6	\$61,744	\$2.5	\$18.1
2009	832,913	3,459	475,133	341.6	1,492	\$11.7	\$59.2	\$62,760	\$2.6	\$18.6
2010	838,453	3,350	476,621	343.3	1,469	\$12.1	\$62.1	\$63,740	\$2.7	\$19.2
2011	843,993	3,239	477,882	345.1	1,428	\$12.6	\$64.9	\$64,495	\$2.7	\$19.9
2012	849,435	3,023	477,932	346.9	1,419	\$13.0	\$67.6	\$65,074	\$2.8	\$20.3
2013	854,489	2,536	478,313	348.6	1,389	\$13.4	\$70.6	\$65,841	\$2.9	\$20.5
2014	859,118	2,049	478,224	350.3	1,251	\$13.8	\$73.7	\$66,676	\$3.0	\$20.8
2015	863,413	1,668	478,591	352.0	1,232	\$14.3	\$76.9	\$67,614	\$3.1	\$20.9
2016	867,424	1,353	479,505	353.6	1,214	\$14.8	\$80.3	\$68,531	\$3.2	\$20.8
2017	871,325	1,214	480,494	355.1	1,201	\$15.3	\$83.9	\$69,438	\$3.3	\$20.7
2018	875,061	1,018	481,431	356.7	1,187	\$15.9	\$87.8	\$70,508	\$3.4	\$20.8
2019	878,807	987	482,324	358.1	1,185	\$16.5	\$91.8	\$71,687	\$3.5	\$20.8
2020	882,581	971	483,000	359.6	1,185	\$17.0	\$95.9	\$72,835	\$3.6	\$21.0



Total Wage & Salary (000)	Farm (000)	Mining & Construction (000)	Manufacturing (000)	Transportaion, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----								
\$513.7	0.4	12.1	35.6	33.9	96.3	65.5	190.4	79.5
\$530.1	0.4	13.2	35.3	36.0	98.0	67.1	201.0	79.2
\$549.2	0.2	14.8	34.9	36.9	102.4	70.5	209.5	80.0
\$563.8	0.3	15.9	34.5	36.1	103.9	74.5	221.7	77.0
\$574.9	0.2	17.4	31.6	36.5	107.1	73.2	230.2	78.8
\$599.0	0.2	18.6	29.3	37.1	113.8	73.5	243.5	83.0
\$592.9	0.2	17.8	27.2	35.8	112.0	74.2	243.6	82.3
\$591.5	0.2	18.7	26.1	34.4	110.9	72.9	244.6	83.7
\$594.0	0.3	18.7	25.2	34.4	111.8	72.0	247.9	83.8
\$599.4	0.3	18.7	24.6	34.5	112.6	71.6	252.6	84.5
\$605.9	0.3	18.8	24.0	34.7	113.3	71.2	258.0	85.5
\$613.0	0.3	19.0	23.7	34.5	114.0	71.0	264.0	86.4
\$620.9	0.3	19.3	23.6	34.4	114.7	71.1	270.0	87.6
\$628.9	0.3	19.5	23.4	34.3	115.4	71.1	276.2	88.7
\$636.5	0.3	19.8	23.2	34.1	116.1	71.0	282.3	89.8
\$643.6	0.3	20.0	23.2	33.7	116.8	70.8	288.0	90.9
\$649.6	0.3	20.3	23.1	33.1	117.4	70.6	292.9	91.8
\$653.9	0.3	20.4	23.1	32.6	118.1	70.3	296.6	92.5
\$656.7	0.3	20.6	23.0	32.0	118.8	70.1	299.3	92.7
\$658.5	0.3	20.7	22.9	31.3	119.5	69.7	301.4	92.7
\$659.7	0.3	20.9	22.7	30.4	120.3	69.2	303.4	92.6
\$660.4	0.3	21.0	22.4	29.5	121.0	68.8	305.1	92.3
\$660.9	0.3	21.1	22.2	28.5	121.8	68.6	306.5	92.0
\$661.5	0.3	21.2	21.9	27.4	122.6	68.4	308.0	91.6
\$662.4	0.3	21.4	21.7	26.1	123.4	68.2	309.9	91.3
\$662.8	0.3	21.6	21.5	25.1	124.2	68.2	311.0	90.9

